

Sec. 32-23z-5. Note

(a) Each loan or line of credit shall be evidenced by a promissory note which shall contain a provision permitting the borrower to prepay the loan in whole or in part upon any interest payment date.

(b) The promissory note shall provide for the payment of interest at a rate not to exceed prime plus one percent (1%) as designated by the Wall Street Journal, at the time of closing. In determining such interest rate the department and authority shall consider factors such as the financial strength of the borrower and loan guarantors, if any, and the amount of security provided by the borrower.

(c) The promissory note may provide for the collection of a late charge, not to exceed two percent of any installment which is not paid within ten days of the due date thereof. Late charges shall be separately charged to and collected from the borrower.

(Effective October 25, 1990)